BACKGROUNDER NO. 5-5966 JULY 7, 1978
CLAUDIO ESKENAZI

THIS WEEK NO. 27

ANNCR:

"THIS WEEK."

FROM THE VOICE OF AMERICA, THE HIGHLIGHTS OF THE WEEKS GONE BY...A LOOK AT SOME OF THE EVENTS, A CROSS-SECTION OF THE IDEAS, AND THE VOICES OF SOME OF THE PEOPLE WHO MADE NEWS DURING THE PAST SEVEN DAYS. YOUR NARRATOR IS---------.

NARR:

THERE WERE RENEWED HOPES THIS WEEK FOR A RESUMPTION OF DIRECT TALKS BETWEEN EGYPT AND ISRAEL, WHILE TENSIONS WERE BUILDING UP ONCE MORE ON ANOTHER FRONT IN THE MIDDLE EAST. AFTER MEETING WITH PRESIDENT SADAT AND PRIME MINISTER BEGIN, VICE-PRESIDENT WALTER MONDALE ANNOUNCED THAT THE EGYPTIAN LEADER HAD AGREED TO SEND HIS FOREIGN MINISTER TO LONDON FOR U.S.-SPONSORED TALKS LATER THIS MONTH. MISTER MONDALE ALSO SAID HE IS CONFIDENT THAT ISRAEL'S FOREIGN MINISTER WILL ALSO ATTEND THE MEETING WITH U.S. SECRETARY OF STATE CYRUS VANCE.

INVITATIONS TO THE CONFERENCE WERE CONTAINED IN MESSAGES FROM PRESIDENT CARTER DELIVERED BY MISTER MONDALE TO THE EGYPTIAN AND ISRAELI LEADERS. THE AMERICAN VICE-PRESIDENT DESCRIBED THE UPCOMING LONDON MEETING AS A VERY SIGNIFICANT DEVELOPMENT, INASMUCH AS IT WILL MARK THE FIRST DIRECT POLITICAL TALKS BETWEEN EGYPTIAN AND ISRAELI OFFICIALS SINCE LAST JANUARY. PRESIDENT SADAT ALSO EXPRESSED OPTIMISM:

TAPE: CUT ONE -- SADAT

"LET US HOPE THAT THROUGH THE EFFORTS AND THROUGH THIS VERY IMPORTANT VISIT OF VICE-PRESIDENT MONDALE TO THE AREA HERE, IN THIS PRECISE MOMENT, WILL GIVE THE PEACE PROCESS A NEW MOMENTUM. I'M SURE IT WILL."

NARR:

LATER IN THE WEEK, EGYPT ISSUED ITS LATEST PEACE PROPOSAL DEALING SOLELY WITH THE OCCUPIED WEST BANK AND THE GAZA STRIP. UNDER THE PLAN, ISRAELI FORCES WOULD WITHDRAW FROM THE TWO TERRITORIES AND FROM ARAB EAST JERUSALEM. IN ADDITION, CIVILIAN SETTLEMENTS ESTABLISHED BY ISRAEL IN THE WEST BANK AND GAZA WOULD BE DISBANDED. THE PLAN SAYS FREELY ELECTED REPRESENTATIVES OF THE PALESTINIAN PEOPLE WOULD EXERCISE DIRECT AUTHORITY OVER THE ADMINISTRATION IN BOTH TERRITORIES, BUT UNDER THE SUPERVISION OF THEIR FORMER RULERS, JORDAN AND EGYPT. AFTER A FIVE-YEAR TRANSITIONAL PERIOD, THE PALESTINIANS WOULD BE GIVEN THE OPPORTUNITY TO DETERMINE THEIR OWN FUTURE.

ALTHOUGH THE TWO SIDES IN THE MIDDLE EAST DISPUTE STILL SEEM TO BE FAR APART IN THEIR POSITIONS, THE EGYPTIAN PROPOSALS HAVE AROUSED GREAT INTEREST IN ISRAEL AND THEY HAVE REAWAKENED THE HOPE THAT PROGRESS CAN NOW BE RESUMED IN THE SEARCH FOR A PEACEFUL RESOLUTION OF THE ARAB-ISRAELI DISPUTE.

(OPT) IN WASHINGTON, A STATE DEPARTMENT SPOKESMAN SAID THE UNITED STATES IS PLEASED THAT BOTH SIDES NOW HAVE PUT FORWARD THEIR PROPOSALS AND HOPES THE LONDON CONFERENCE WILL TAKE PLACE AS PLANNED. HE NOTED THAT EGYPT ALREADY AGREED TO THE MEETING AND THAT ISRAEL HAS PROMISED A FORMAL RESPONSE AFTER SUNDAY'S CABINET MEETING. VOA CORRESPONDENT MARK WILLEN HAS THIS REPORT:

TAPE: CUT TWO -- WILLEN

"THE STATE DEPARTMENT SPOKESMAN SAID SECRETARY VANCE WILL BE PREPARED TO HELP THE PARTIES FIND A COMMON PATH, BUT HE SOUGHT TO DISCOURAGE SPECULATION THAT THE UNITED STATES WILL BE PRESENTING ITS OWN COMPROMISE PROPOSALS. HE SAID THERE IS NO AMERICAN PLAN AND SECRETARY VANCE DOES NOT INTEND TO INTERFERE WITH U.S. VIEWS OR PERCPETIONS. HE DESCRIBED THE AMERICAN ROLE AS THAT OF A FACILITIATOR -- HELPING THE PARTIES TO NEGOTIATE AND OVERCOME THEIR DIFFERENCES."

NARR: (END OPT)

MEANWHILE THERE WAS RENEWED FIGHTING IN LEBANON THIS WEEK BETWEEN LEBANESE CHRISTIAN FORCES AND SYRIAN TROOPS STATIONED THERE, AMIDST FEARS THAT THIS COULD STALL FURTHER ARAB-ISRAELI PEACE TALKS AND INCREASE TENSIONS IN THE AREA ONCE AGAIN. EARLIER THERE WERE ALSO UNCONFIRMED REPORTS THAT LEBANON'S PRESIDENT ELIAS SARKIS HAD OFFERED TO RESIGN. THESE REPORTS FOLLOWED THE APPARENT FAILURE OF DIPLOMATIC EFFORTS TO HALT THE FIGHTING. LEBANON'S FOREIGN MINISTER JOURNEYED TO DAMACUS WHERE HE HELD TALKS WITH TOP SYRIAN OFFICIALS ON WAYS TO CONTAIN THE VIOLENCE.

SYRIA'S SEMI-OFFICIAL PRESS HAS CONTINUED ITS SHARP ATTACKS ON THE TWO MAIN CHRISTIAN MILITIA ORGANIZATIONS, BLAMING THEM FOR THE FIGHTING AND CHARGING THAT MILITANT CHRISTIAN LEADERS ARE TRYING TO IMPOSE THEIR WILL BY FORCE. POLITICAL SOURCES IN BEIRUT BELIEVE THE SYRIAN GOVERNMENT IS DETERMINED THIS TIME TO BREAK THE POWER OF THE CHRISTIAN MILITIAS.

LATER IN THE WEEK, ISRAEL'S DEFENSE MINISTER EZER WEIZMAN DESCRIBED THE SITUATION IN BEIRUT AS SERIOUS. AND HE WARNED THAT A COMPLETE TAKEOVER OF LEBANON BY SYRIA TROOPS WOULD CONSTITUTE A BASIC CHANGE IN THE POSITION THERE AND COULD AFFECT ISRAEL'S ATTITUDE IN THE CURRENT MIDDLE EAST PEACE NEGOTIATIONS. IN JERUSALEM, THE DIRECTOR GENERAL OF THE PRIME MINISTER'S OFFICE CONFIRMED THAT THE EVENTS IN BEIRUT WERE BEING WATCHED CLOSELY AND WITH GREAT CONCERN BY THE ISRAELI GOVERNMENT, AND THE CHIEF OF ISRAELI MILITARY INTELLIGENCE HAD THESE COMMENTS:

<u>TAPE: CUT THREE -- ISRAELI SPOKESMAN</u>

"THE MAIN PURPOSE OF THE WAR IS TO DESTROY ANY MILITARY CAPABILITY ON THE CHRISTIAN SIDE, TO DESTROY ANY POSSIBLE RESISTANCE BY THE CHRISTIANS IN THE FORESEEABLE FUTURE AND TO DICTATE A PAX DAMASCUS ON LEBANON. THAT MIGHT MEAN LEBANON BECOMING A CONFRONTATION STATE FROM ALL POINTS OF VIEW."

NARR:

IN WASHINGTON, PRESIDENT CARTER ISSUED A PERSONAL APPEAL FOR AN END TO THE FIGHTING IN LEBANON. LATER THE STATE DEPARTMENT SAID IT WAS HEARTENED BY REPORTS THAT A CEASEFIRE IN BEIRUT APPEARS TO BE HOLDING. THE STATE DEPARTMENT ADDED IT IS ALSO PLEASED THAT PRESIDENT SARKIS HAS POSTPONED A DECISION ON A POSSIBLE RESIGNATION. A SPOKESMAN SAID THE UNITED STATES IS REMAINING IN CLOSE CONTACT WITH THE PARTIES CONCERNED IN THE CONFLICT, AND WITH OTHER MEMBERS OF THE INTERNATIONAL COMMUNITY, ON HOW BEST TO PROCEED. THE SPOKESMAN ADDED THAT THE UNITED STATES IS DETERMINED TO TAKE WHATEVER STEPS ARE NECESSARY TO HELP ESTABLISH PEACE AND SECURITY IN LEBANON.

IN THE FAR EAST THIS WEEK, RELATIONS BETWEEN CHINA AND VIETNAM FURTHER DETERIORATED AFTER PEKING ANNOUNCED IT WAS STOPPING ALL ECONOMIC AND TECHNICAL ASSISTANCE TO HANOI. AN OFFICIAL NOTE FROM PEKING TO HANOI SAID THE CHINESE GOVERNMENT HAS BEEN COMPELLED TO STOP ITS AID TO VIETNAM, AND IS RECALLING ALL CHINESE ENGINEERS AND TECHNICAL PERSONNEL IN VIETNAM. IT CITED WHAT IT CALLED VIETNAM'S STEPPED UP ANTI-CHINESE ACTIVITIES AND OSTRACISM OF CHINESE RESIDENTS IN VIETNAM.

THE MOVE COMES IN THE MIDST OF THE CONTROVERSY BETWEEN THE TWO COUNTRIES OVER THE TREATMENT OF CHINESE RESIDENTS IN VIETNAM. CHINA SAYS THEY ARE BEING MISTREATED AND VIETNAM CLAIMS THEY ARE BEING USED BY CHINA SIMPLY AS TOOLS TO STRENGTHEN ITS POSITION IN SOUTHEAST ASIA.

LATER IN THE WEEK, A HANOI RADIO BROADCAST CHARGED THAT CHINA IS TRYING TO FORCE VIETNAM TO ABANDON ITS INDEPENDENT LINE. IT ACCUSED CHINA OF FOLLOWING A POLICY OF AGGRESSION IN SOUTHEAST ASIA, AND CALLED THE RECENT WORSENING OF VIETNAMESE-

CHINESE RELATIONS A PREMEDITATED CHINESE PLAN. (OPT) VOA CORRESPONDENT EDWARD CONLEY HAD THIS REPORT FROM HONG KONG:

TAPE: CUT FOUR -- CONLEY

"THE LATEST IN THE SERIES OF STRONG STATEMENTS BY BOTH HANOI AND PEKING SAID THE AID CUT-OFF WAS THE FIFTH STEP IN AN ANTI-VIETNAM CAMPAIGN BEING CARRIED OUT BY PEKING. THE FIRST TWO STEPS, ACCORDING TO HANOI, WERE THE SEPARATE ANNOUNCEMENTS IN MAY AND JUNE OF SUSPENSION OF 72 CHINESE AID PROJECTS IN VIETNAM. THE THIRD STEP, ACCORDING TO RADIO HANOI, WAS THE SENDING OF TWO CHINESE PASSENGER VESSELS TOWARD VIETNAM TO PICK UP WHAT PEKING SAYS ARE MALTREATED CHINESE RESIDENTS IN VIETNAM WHO WANT TO LEAVE THE COUNTRY. THE FOURTH STEP IN WHAT HANOI CLAIMS IS CHINA'S ANTI-VIETNAM CAMPAIGN, WAS THE RECENT CLOSING BY PEKING OF THREE VIETNAMESE CONSULATES IN CHINA. THE FIFTH AND PROBABLY THE MOST DRAMATIC STEP SO FAR IN THE SINO-VIETNAMESE DISPUTE, WAS THIS WEEK'S ANNOUNCEMENT BY CHINA THAT IT WAS ENDING ALL TECHNICAL AND ECONOMIC AID PROGRAMS TO VIETNAM -- A MOVE THAT SEEMS ASSURED TO SERIOUSLY HAMPER HANOI'S DEVELOPMENT PLANS."

NARR: (END OPT)

IN MOSCOW TWO AMERICAN NEWSPAPER CORRESPONDENTS CHARGED WITH LIBELING SOVIET OFFICIALS TOLD A MOSCOW COURT THIS WEEK THAT THEY WILL NOT PARTICIPATE IN A HEARING ON THE CHARGE. THE TWO NEWSMEN SAID THEY DO NOT THINK THE ACCUSATIONS ARE TRUE, AND THEY HAVE ASKED THAT THE CASES AGAINST THEM BE DISMISSED. ONE OF THE TWO, CRAIG WHITNEY OF THE NEW YORK TIMES, EXPLAINED THE DECISION:

TAPE: CUT FIVE -- WHITNEY

"WE MADE -- SUBMITTED TO -- WRITTEN STATEMENTS EXPLAINING THAT WE WEREN'T GOING TO TAKE FURTHER PART IN THE CASE, ENLISTING OUR REASONS WHY NOT -- BECAUSE WE THOUGHT THE COMPLAINT HAD NO BASIS, BECAUSE WE THOUGHT OUR ARTICLES HAD BEEN FAIR AND ACCURATE; BECAUSE FURTHER WE THOUGHT THAT THE SOVIET COURT COULDN'T RULE ON WHAT WAS PUBLISHED IN AMERICAN NEWSPAPERS."

NARR:

THE UNPRECEDENTED LEGAL ACTION STEMS FROM CHARGES THAT THE TWO MOSCOW-BASED CORRESPONDENTS LIBELED GOVERNMENT OFFICIALS IN THEIR NEWS REPORTS. THEY ARE SAID TO HAVE REPORTED AN ALLEGEDLY FAKED TELEVISION CONFESSION OF A DISSIDENT IN THE SOVIET REPUBLIC OF GEORGIA. BUT THE CASE IS WIDELY SEEN AS AN ATTEMPT TO CONTROL NEWS SENT FROM MOSCOW BY FOREIGN CORRESPONDENTS ABOUT SOVIET DISSIDENTS.

LATER IN THE WEEK, THE WHITE HOUSE SUMMONED SOVIET JOURNALISTS IN WASHINGTON TO A MEETING AND LATER SAID THEIR WHITE HOUSE PRESS CREDENTIALS ARE UNDER REVIEW. ADMINISTRATION OFFICIALS HAVE LEFT LITTLE DOUBT ABOUT THE CONNECTION BETWEEN THESE DEVELOPMENTS AND THE LIBEL SUIT AGAINST THE TWO AMERICAN REPORTERS IN MOSCOW. THE CARTER ADMINISTRATION HAS ALREADY EXPRESSED TO MOSCOW, THROUGH PRIVATE CHANNELS, ITS DEEP CONCERN OVER THE ACTION AGAINST THE U.S. NEWSMEN. FOLLOWING A HIGH-LEVEL MEETING ON THE ISSUE EARLIER IN THE WEEK, A SENIOR WHITE HOUSE OFFICIAL SAID THE LIBEL CASE WAS SOMETHING THE UNITED STATES CANNOT ALLOW TO GO UNANSWERED.

(OPT) IN ANOTHER DEVELOPMENT IN SOVIET-AMERICAN RELATIONS THIS WEEK, SOVIET FOREIGN MINISTER ANDREI GROMYKO ACCUSED THE WEST OF DECEIVING WORLD OPINION ON THE EAST-WEST BALANCE OF POWER AND ON OTHER INTERNATIONAL ISSUES. MISTER GROMYKO DID NOT IDENTIFY ANY ANTI-SOVIET CRITICS BY NAME, BUT HE CLAIMED THERE ARE MANY ENEMIES OF DETENTE IN THE WORLD. IN A REFERENCE TO WESTERN CONCERN OVER HUMAN RIGHTS VIOLATIONS IN THE SOVIET UNION AND THE TRIALS OF SOVIET DISSIDENTS, MISTER GROMYKO ACCUSED SOME PEOPLE OF WHAT HE CALLED RAISING A NOISY, IF NOT HYSTERICAL CAMPAIGN AGAINST DETENTE. (END OPT)

ON THE ECONOMIC FRONT THIS WEEK, PRESIDENT CARTER'S ECONOMIC ADVISERS CONFIRMED THAT INFLATION IN THE UNITED STATES IS WORSE

THAN THEY HAVE ANTICIPATED. LAST JANUARY, MISTER CARTER'S BUDGET MESSAGE AND ECONOMIC REPORT TO CONGRESS FORECAST AN INFLATION RATE OF SIX PERCENT FOR FORECASTING YEAR. BUT NOW THE PRESIDENT'S ECONOMIC ADVISERS ARE FORECASTI-NG A LITTLE OVER SEVEN PERCENT.

THE PREDICTION WAS REVISED IN THE ADMINISTRATION'S MIDYEAR ECONOMIC PREVIEW AND IT FOLLOWED REPEATED WARNINGS BY THE PRESIDENT THAT INFLATION IS GETTING WORSE AND THAT IT IS THE NATION'S MAJOR DOMESTIC PROBLEM. CHAIRMAN CHARLES SCHULTZE OF THE PRESIDENT'S COUNCIL OF ECONOMIC ADVISERS EXPLAINED THE REVISED FIGURES:

TAPE: CUT SIX -- SCHULTZE

"FROM DECEMBER 1977 TO DECEMBER 1978 WE HAD FORECAST A 6.1 PERCENT RATE OF INCREASE IN CONSUMER PRICES. WE NOW EXPECT IT TO BE ABOUT SEVEN AND A QUARTER PERCENT, PRINCIPALLY -- ALTHOUGH NOT SOLELY -- PRINCIPALLY ON ACCOUNT OF HIGHER FOOD PRICES AND HIGHER MORTGAGE INTEREST RATES, IN THE LIGHT OF THOSE DEVELOPMENTS, INCLUDING THE GREATER RATE OF INFLATION, WE THINK THE LOWER, 4 PERCENT GROWTH RATE IS A DESIRABLE ONE. IT MAINTAINS ECONOMIC RECOVERY BUT AN APPROPRIATELY MORE MODERATE PACE."

NARR:

A HIGH-LEVEL DELEGATION OF U.S. GOVERNMENT SCIENCE AND TECHNOLOGY EXPERTS ARRIVED IN PEKING THIS WEEK FOUR DAYS OF TALKS WITH CHINESE OFFICIALS. THE DELEGATION IS BELIEVED TO BE THE HIGHEST RANKING GROUP OF GOVERNMENT EXPERTS IN THESE FIELDS EVER SENT ABROAD BY THE UNITED STATES. ITS LEADER, FRANK PRESS, PRESIDENT CARTER'S CHIEF SCIENCE ADVISER, SAID THE GROUP IS GOING TO CHINA TO EXPLORE THE POSSIBILITIES OF COOPERATION IN SCIENCE AND TECHNOLOGY:

TAPE: CUT SEVEN -- PRESS

"THE CHINESE ELEVATED SCIENCE AND TECHNOLOGY TO A VERY HIGH PRIORITY IN THEIR COUNTRY. WE WANT TO LEARN MORE ABOUT THEIR PLANS FOR GROWTH IN THESE AREAS. WE THINK IT IS IN THE INTEREST OF OUR TWO COUNTRIES AND THE NATIONS OF ALL THE WORLD FOR US TO COOPERATE IN THIS IMPORTANT AREA."

NARR:

WHITE HOUSE OFFICIALS DECLINED TO CHARACTERIZE THE DELEGATION'S VISIT AS A STEP TOWARD NORMALIZED U.S.-CHINESE RELATIONS. STILL THE TRIP IS SIGNIFICANT BECAUSE ITS PARTICIPANTS ARE MEMBERS OF AN OFFICIAL U.S. DELEGATION.

ANNCR:

AND THOSE ARE SOME OF THE STORIES THAT MADE HEADLINES THIS WEEK. YOUR NARRATOR WAS-------. JOIN US AGAIN NEXT -- WHEN THE VOICE OF AMERICA TAKES A LOOK AT THE NEXT SEVEN DAYS OF THE WEEK.

JS/RCS